## SENATE DEMOCRATIC CAUCUS

LANSING, MICHIGAN

For Immediate Release March 16, 2005 Sen. Martha Scott: 517/373-7748 Sen. Buzz Thomas: 517/373-7918

## SENATE DEMS: MAKE AUTO INSURANCE AFFORDABLE

LANSING- Michigan Senate Democrats came out swinging today demanding immediate action on legislation intended to make auto insurance rates more affordable. Democrats are renewing their call for auto insurance reform in the wake of the Michigan Catastrophic Claims Association's (MCCA) announcement that they will be raising this year's vehicle assessment.

"Unaffordable insurance rates in urban areas are breaking the backs of Michigan's citizens," said Sen. Martha G. Scott (D-Highland Park). "Our economy, our quality of life is threatened by insurance companies that charge outrageous and unfair prices under the guise of competition."

Sen. Martha G. Scott, one of the Senate's most adamant champions of auto insurance reform, is the author of Senate Bill 200 that would require prior state approval of auto insurance rates and authorize state insurance commissioners to reduce rates if they are determined to be excessive. The legislation would also require policyholders be given 60 day prior notice of a rate hike to provide an opportunity for consumers to seek a lower rate elsewhere.

"Our focus is parity and equality," said Sen. Buzz Thomas (D-Detroit). "Michigan's citizens should not be divided and conquered by insurance companies whose major concern is the bottom line."

Senator Buzz Thomas has introduced Senate Bill 38 that would prohibit insurance companies from charging consumers in one part of the state more than 40% of what the company charges consumers in any other part of the state. His legislation would also prohibit charging consumers in one community more than 10% of what they charge consumers in a neighboring community.

Michigan's Senate Democrats remain committed to ensuring fair treatment and affordable auto insurance to all of Michigan's consumers.

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Please Note: An audio file of Senator Thomas commenting on the MCCA rate increase can be downloaded at the following web address:

http://www.senate.mi.gov/thomas/Audioclips/MCCA031605.wav